

CLIENT ALERT

European Sanctions on Iran – Compliance for European Operations

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Recent news reports indicate that the EU is cracking down on small and mid-sized enterprises that are trading with and investing in Iran. There have been no new EU-wide rules since 7 August 2008 when the EU adopted a common position in order to implement United Nations Security Council Resolution 1803 (2008); however, there is increasing pressure on the EU and its Member States to enforce more stringently the existing UN sanctions as well as propose new measures with a broader scope.

In particular, EU authorities are attempting to target small and mid-sized companies and banks that do not have significant interests in the US and that are trying to fill the gap left by larger companies that have scaled down their Iranian operations.

As larger firms exit Iran, European businesses (and US businesses with European operations) will discover new business opportunities there. Exploring those opportunities, and determining whether they can be lawfully pursued, requires a review of the application of both US and EU law. That review must now take into account increased scrutiny by European authorities.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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